

10.0 Virginia Airports Revolving Fund

The Virginia Resources Authority (VRA) partners with the Virginia Aviation Board and the Virginia Department of Aviation to provide innovative financing resources to public-use airports. Airport sponsors are encouraged to contact VRA at 804-644-3100 or www.virginiaresources.org for information about the Virginia Airports Revolving Fund (VARF) or other financing options available through VRA, including equipment leasing.

10.1 Virginia Airports Revolving Fund

The VARF makes below-market rate loans to support the implementation of capital improvement plans. The VAB and VRA approve loan applications. VAB determines project appropriateness; VRA approves loans based on financial capability and availability of funding.

Loans are available for eligible projects at publicly-owned airports. Interest rates are reduced 0.50% below prevailing AA market rates. The minimum preferred loan amount is \$500,000; however, depending on fund availability, smaller amounts may be available. Loans are customized to match the airport and project needs, with 25 years being the maximum term available.

10.2 Project Eligibility

Eligible projects include:

- any airport related capital project on an airport's approved layout plan including revenue producing projects
- local matching share of projects eligible for funding through other federal and state sources
- debt refinancing

Specific project examples include:

- hangars
- terminal buildings
- machinery and equipment
- lands and rights-in-land
- roadways
- parking facilities
- utilities
- fuel farms

Eligible expenses include:

- administration
- engineering such as planning, design, and construction
- legal and financing fees
- construction costs
- equipment
- land
- cost of interim financing

Funds may not be available for projects that are clearly speculative in nature or a readiness to proceed is not demonstrated.

10.3 Application Process

A request for loan funds should be submitted to DOAV and VRA using the *Virginia Airports Revolving Fund Application*. Both DOAV and VRA will work closely with airport sponsors to answer questions and ensure that applications are complete. Applications will be solicited annually.

10.4 Evaluation and Selection Process

DOAV will examine each loan application for completeness, eligibility, and consistency with the airport's planned development and notify the airport sponsor if an apparent problem exists. The notification allows the sponsor to adjust, correct, or withdraw the application. At the same time DOAV is reviewing an application, VRA is reviewing the application and will contact the airport sponsor if a problem is found or additional information is needed to complete the financial capability analysis.

DOAV submits its recommendations to the VAB. The recommendations are given to members of the VAB at least two weeks prior to a regular VAB meeting. The VAB will consider applications at its regularly scheduled meetings. As the VAB considers each loan request, it will ensure that each proposed project is eligible and is necessary for the overall development of the state air transportation system. Loan requests approved by the VAB are forwarded to VRA.

VRA will then complete the necessary due diligence and financial reviews. In the event that approved applications exceed available funding, VRA, in conjunction with DOAV, will prioritize such applications. Variables considered for prioritization are the availability of other funding options, economic impacts, criticality, and readiness to proceed.

10.5 Agreement Process

The financial aspects of the VARF are administered by VRA. VRA works with airport sponsors and their bond counsel towards loan closing and provides sponsors with information on the process.

10.6 Project Implementation

Disbursements of funds and collection of loan payments are arranged through VRA. VRA will coordinate the transfer of funds related to the projects. DOAV may be involved in a project through its normal processes for reviewing and approving plans, conducting inspections, and providing technical assistance as needed.